

## Message Text

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12

ACTION EUR-12

INFO OCT-01 ISO-00 OES-06 EB-07 INR-07 SS-15 SP-02 L-03

/053 W

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R 261245Z APR 76

FM AMEMBASSY BUCHAREST  
TO SECSTATE WASHDC 7579

CONFIDENTIAL BUCHAREST 2235

STADIS//////////

E.O. 11652: GDS

TAGS: PFOR EFIN EAID SENV RO US

SUBJECT: ENVIRONMENTAL IMPACT OF RIUL MARE HYDRO PROJECT

REF: 75 BUCHAREST 6309

1. WE UNDERSTAND THAT IBRD BOARD OF GOVERNORS HAS MET OR WILL  
MEET SHORTLY TO CONSIDER THE RIULMARE PROJECT (REFTEL).

2. PROJECT RAISES (AT LEAST IN OUR MINDS) SOME IMPORTANT AND  
CONFLICTING ISSUES OF POLITICAL POLICY, PROCEDURE, AND ETHICS  
IN ADDITION TO USUAL IBRD ECONOMIC AND FINANCIAL CONSIDERATIONS.

3. PROJECT APPROVAL WOULD BE FULLY IN ACCORD WITH U S POLICY  
TO SUPPORT ROMANIAN INDEPENDENCE AND ECONOMIC VIABILITY  
THROUGH FINANCING BY INTERNATIONAL LENDING INSTITUTIONS. WE  
CONCUR INDEPARTMENT'S PRACTICE OF BACKING IBRD-STAFF-APPROVED  
PROJECTS WHEN ROMANIAN ACCESS TO BANK CREDITS IS INVOLVED,  
AS GENERAL RULE.

4. HOWEVER, THE ENVIRONMENTAL-IMPACT STUDY ON WHICH BANK'S  
APPROVAL MUST BE CONDITIONED IN THIS CASE IS APPARENTLY  
FRAUDULENT AND CONTRIVED. WE SAY "APPARENTLY" BECAUSE  
REFTEL REQUEST IN DECEMBER FOR TEXT OF IMPACT STATEMENT  
FAILED TO OBTAIN IT. BASED ON PERSONAL OBSERVATIONS BY  
EMBOFFS AT SITE PLUS CONVERSATIONS WITH LOCAL INHABITANTS  
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AND OFFICIALS AS WELL AS HEAD OF ROMANIA'S CHIEF "PRIVATE"

ENVIRONMENTAL ORGANIZATION, IMPACT OF RIUL MARE PROJECT  
WILL BE TO DESTROY WHAT IS PERHAPS ROMANIA'S LAST RELATIVELY  
UNDEVELOPED SCENIC RIVER AND IMPINGE HARMFULLY INTO THE  
HERETOFORE SACROSANCT (UNDER BOTH NON-COMMUNIST AND COMMUNIST  
ROMANIAN GOVERNMENTS) SCIENTIFIC RESERVE SANCTUARY AT THE  
HEART OF RETEZAT NATIONAL PARK. BY "DESTROY," WE MEAN  
LITERALLY TURNING THE ONCE-WILD RIUL MARE INTO A DITCH  
OR PUDDLE AND DIVERTING THE WATER INTO A GREAT PIPE,  
PLUS SCARRING THE FORESTED VALLEY AND SURROUNDING MOUNTAIN  
AREA WITH CONSTRUCTION AND DEVELOPMENT ACTIVITIES.

5. ONE CENTRAL ISSUE HERE IS PROCEDURAL. IF THE IBRD IS  
COMMITTED TO AT LEAST CONSIDERING ENVIRONMENTAL IMPACT,  
IS IT PREPARED TO ACCEPT A "SNOW-JOB" FROM ROMANIAN OR  
OTHER AGENCIES WITH VESTED-INTEREST IN IGNORING OR  
MINIMIZING IRREVERSIBLE ENVIRONMENTAL DAMAGE? ISSUE INVOLVES  
CORRUPTION OF DUE PROCESS, IT SEEMS TO US, AND WE URGE THE  
DEPARTMENT TO MAKE THIS POINT FORCEFULLY TO ALL AGENCIES AND  
PARTIES INVOLVED, LOOKING TOWARD FUTURE CASES.

6. EMBASSY ALSO FEELS A SEARCHING LOOK SHOULD BE TAKEN AT WHETHER  
ENVIRONMENTAL IMPACT IS BEING ADEQUATELY WEIGHTED AMONG  
THOSE FACTORS WHICH CONDITION IBRD APPROVAL OF SPROJECT  
FINANCING. IBRD HAS IMMENSE LEVERAGE IN INSISTING ON GENUINE  
(NOT FAKE) IMPACT STATEMENTS, REVIEW BY INDEPENDENT, ENVIRONMENTAL-  
PROTECTION ATTUNED EXPERTS, AND CORRECTION OF DEFICIENCIES IN  
PLANS OR INDEED CANCELLATION OF MIS-BEGOTTEN PROJECTS.

7. ANOTHER ISSUE IS WHETHER BANK AND DEPARTMENT HAVE BROUGHT  
TO BEAR ADEQUATE EXPERTISE, IN USG OR OUTSIDE, ON ENVIRONMENTAL  
FACTOR IN CLEARANCE PROCESS OF PROJECTS. IF LACK OF STAFF IS PROBLEM,  
CONSULTANTS MIGHT BE RETAINED. MOREOVER, REJECTION OF SKETCHY,  
INCONSISTENT, OR OBVIOUSLY MISLEADING IMPACT STATEMENTS DOES  
NOT REQUIRE GREAT EXPERTISE.

8. A LAST CONSIDERATION IS OPENNESS-THE DEGREE TO WHICH WIDER,  
EVEN PUBLIC, EXPERT AND LAY ATTENTION MIGHT BE FOCUSED ON PROJECTS  
IN ORDER THAT RESPECTIVE GOVERNMENTS HEED PRESENT-DAY ENVIRONMENTAL  
NORMS. THIS IS ESPECIALLY IMPORTANT WHEN AUTHORITARIAN DEVELOPING  
REGIMES WITH "INDUSTRIALIZATION-AT-ANY-COST" ETHNIC ARE INVOLVED.

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THE MOST GLARING BLUNDER IN THIS REGARD WAS THE ASWAN DAM (OF  
COURSE NOT INVOLVING IBRD), AN ILLUSTRATIVE EXAMPLE WHICH IBRD  
MIGHT WELL HEED.

BARNES

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## Message Attributes

**Automatic Decaptoning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CONSTRUCTION, CONSERVATION, ECOLOGY, DAMS, FLOOD CONTROL, MEETING REPORTS, PROGRAMS (PROJECTS)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 26 APR 1976  
**Decapton Date:** 28 MAY 2004  
**Decapton Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** izenbei0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976BUCHAR02235  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D760159-0209  
**From:** BUCHAREST  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1976/newtext/t19760423/aaaaatkl.tel  
**Line Count:** 111  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** STADIS  
**Reference:** 76 BUCHAREST 6309  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** izenbei0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 MAY 2004  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <04 MAY 2004 by woolfihd>; APPROVED <31 AUG 2004 by izenbei0>  
**Review Markings:**  

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
04 MAY 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ENVIRONMENTAL IMPACT OF RIUL MARE HYDRO PROJECT  
**TAGS:** PFOR, EFIN, EAID, SENV, RO, US  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006